

Minutes
Indiana Lobby Registration Commission
Public Meeting
May 6, 2015 2:00p.m.
Market Tower Conference Room
10 W. Market Street
Indianapolis, Indiana 46204

Members Present: Sue Scholer, Beverly Gard, Joe Micon, and Terry White

Member Unable to Attend: None

Staff Present: Charles Harris, Executive Director & General Counsel; Amy Nicholson, Assistant Director; and Kaytie Barrett, Office Manager.

Signed-In Attendees: Matt Batte, Robin Beck, Katelyn Blankenship, Charma Budney, Christi Heiney, Elizabeth Hodge, Brenda Kirch, and Bonnie Lewis.

Call to Order

On May 6, 2015, the public meeting of the Indiana Lobby Registration Commission was called to order at approximately 2:05 p.m. by the Chairperson of the Commission, Sue Scholer.

Approval of Minutes

Commissioner Micon moved approval of the minutes of the Commission's Public Meeting held on November 20, 2014. His motion was seconded by Commissioner White and approved by a voice vote of the Commissioners. Commissioner Gard abstained from voting on the motion because she was not a member of the Commission at the time of the November 20, 2014 meeting.

Filing Deadlines

Mr. Harris stated that it has been the policy of the Commission to extend the due date for registration statements and activity reports when the normal statutory deadline falls on a weekend or holiday. He noted that IC 2-7 sets firm reporting deadlines of November 1 for annual registration statements and May 31 and November 30 for the semi-annual activity reports. He also indicated that IC 2-7 does not provided for such an extension of those due dates. Now that on-line filing of registration statements and activity reports is mandatory and the Commission's new on-line system is available on a 24/7 basis, the need for such an extension of a filing deadline is questionable. Given those facts and the lack of specific statutory authority to grant such an extension of those statutory filing deadlines, Mr. Harris said it is staff's recommendation that the Commission:

- (1) stop the practice of extending the statutory filing deadlines for registration statements and activity reports because the deadline falls on a weekend or a legal holiday; and

(2) follow the specific statutory deadlines for filing registration statement and activity reports when determining whether a filing is late.

Commissioner White moved approval of the staff recommendation concerning filing deadlines. His motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners.

Policies for Administrative Resolution of Late Fees

Mr. Harris said that the current policies for the administrative resolution of late fees only apply to late registration statements or activity reports. He stated that the amendments to IC 2-7-3-3.3 and IC 2-7-3-7 and new chapter IC 2-7-3.5 all provided for imposition of a fee for the late filing of a gift report, a purchase report, or an annual report from a state college or university. He further noted that those late fee provisions are substantially the same as those set forth in IC 2-7-2-2 and IC 2-7-3-2 for a late registration statement or activity report, namely a late fee of up to \$100 per day with a maximum fee of \$4,500 per late filing and authority for the Commission to waive the late fee in whole or in part. Mr. Harris said that it is staff's recommendation that the Commission's current policies for administrative resolution of late fees be amended so the policies will also apply to late gift reports, late purchase reports, and late annual reports from state colleges and universities. He emphasized that the extension of the policies to those late statements and reports should be effective July 1, 2015, which is the effective date for each of the new late fees. Commissioner Micon moved approval of the staff recommendation concerning extension of the policies for the administrative resolution of late fees. His motion was seconded by Commissioner White and unanimously approved by a voice vote of the Commissioners.

Late Fee Appeals

Mr. Harris reported that all but one of the 68 appeals of late fees received between November 7, 2014 and March 19, 2015 were resolved administratively and that late fees totaling \$25,500 were collected from the 67 lobbyists who filed the resolved appeals. With respect to the one remaining appeal, Mr. Harris said that it is staff's recommendation that the late fee otherwise due from the Indiana Coalition Against Sexual Assault be waived. He stated that the Coalition has been placed in receivership by the Marion County Superior Court and that the court appointed receiver has indicated that the Coalition does not have sufficient funds to pay its creditors. Commissioner White moved that the late fee otherwise due from the Indiana Coalition Against Sexual Assault be waived. His motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners.

Fiscal Year 2014-2015 Budget Report

Mr. Harris reported on the status of the Commission's budget for fiscal year 2014-2015. He indicated that there previously had been no need to adjust any of the line item amounts of the 2014-2015 budget as approved by the Commission at its May 2, 2014 meeting. He said, however, that it will be necessary to increase the line item amount of \$1,150 budgeted for furniture and equipment before the end of the fiscal year. Mr. Harris stated that Ms. Nicholson's

computer equipment developed significant problems and needed to be replaced. The cost of the new equipment is \$1,618. He explained that it will be necessary to transfer about \$1,000 from another line item of the budget to the furniture and equipment line item before the end of the fiscal year.

Staff Salary Increases

Mr. Harris had previously distributed a memorandum to the Commissioners that included his salary recommendations for both Amy Nicholson and Kaytie Barrett for fiscal year 2015-2016. The following motion was made by Commissioner White, seconded by Commissioner Gard and unanimously approved by a voice vote of the Commissioners:

I move that Amy Nicholson's annual salary be increased to \$65,714, that Kaytie Barrett's annual salary be increased to \$30,385, and that Chuck Harris' annual salary be increased to \$78,000. I further move that Amy Nicholson receive a one-time bonus of \$1,000 in recognition of the numerous extra hours that she has devoted to development and implementation of the Commission's new on-line filing system. In addition, I move that these salary increases and bonus take effect for the pay period that ends June 20, 2015 and for which the pay date is July 1, 2015.

Proposed Budget for Fiscal Year 2015-2016

With respect to the proposed budget for fiscal year 2015-2016 that had previously been distributed to the Commissioners, Commissioner White pointed out that it would be necessary to increase the personal services line item amount by \$3,800 to cover the salary increase that the Commission approved for Mr. Harris and the additional benefit costs resulting from that increase. Commissioner White further suggested that the \$3,800 come from the Commission's internal reserve line item. The Commission by consent approved both of those amendments to the proposed budget. Mr. Harris then presented the proposed budget for fiscal year 2015-2016 as so amended. During his comments he emphasized the following points:

1. The total budget of \$343,728 is consistent with the Commission's appropriation for that fiscal year.
2. The amended personal services line item amount of \$251,202 includes funds for the salary increases and bonus approved by the Commission as well as the amount needed to cover the additional 27th pay day.
3. The office rent line item of \$25,000 reflects the base rent of \$-0- for the first five months of the fiscal year, and includes \$6,000 to cover real estate taxes if the landlord's exemption for the space leased by the Commission is not in effect for the fiscal year.
4. The internal reserve of \$27,146 includes funds to pay the Executive Director and General Counsel for 225 of accrued vacation leave should he elect to retire during the fiscal year.

Commissioner White moved approval of the proposed budget for 2015-2016 as amended. His motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners. A copy of the approved budget is attached to these minutes as Exhibit A.

Legislative Update

Mr. Harris reviewed the provisions of the new ethics legislation, H.E.A. 1002 of the 2015 legislative session, that impact the statutes administered by the Commission. He noted the imposition of late fees for late gift reports and late purchase reports, the new reporting provisions for state colleges and universities, elimination of the annual reporting requirement for state executive/administrative department agencies, and the decriminalization of late filings. He pointed out that all of these changes had been discussed by the Commission at its August 25, 2014 public meeting and then transmitted to the chief counsel of each of the four caucuses of the General Assembly. Mr. Harris emphasized that the amendments to IC 2-7-6-2 also provided a very workable procedure for dealing with those who fail to file a required registration statement or report. He said that staff will first reach out to such a non-filer informally by phone or email. If the non-filer does not respond to that contact in an appropriate manner, staff then will send a letter by certified mail, return receipt requested, as provided for under the amendments to IC 2-7-6-2. If the non-filer does not file the required statement or report within ten business days after receiving that letter, the lobbyist can be charged with a Level 6 felony.

Database/System Update

Ms. Nicholson commented on the launch of the Commission's new on-line system. She said that it has taken countless hours of work from staff of Indiana Interactive (DBA IN.gov) and herself to have the system ready to go live the first of May. She also indicated that they are still working on an issue that has been difficult to address because they have not been able to replicate the problem. Ms. Nicholson said that the system would have cost the Commission at least \$700,000 if Indiana Interactive were billing the Commission for development of the system. She briefly commented on some additional system features that are being considered for subsequent phases of the project, including the ability of lobbyists to save certain data and an on-line reporting capability for state colleges and universities.

Staff Reports

Ms. Nicholson told the Commission that the number of registered lobbyists for the 2014-2015 registration/reporting year has grown to 1,603. She also commented on the training session that she conducted on April 24, 2015 for those who will be using the Commission's new on-line system. Mr. Harris noted that he will be planning training sessions for both lobbyists and for the state colleges and universities. His training sessions will deal with the 2015 amendments to the statutes administered by the Commission.

Mr. Harris also discussed two options for dealing with the dual reporting thresholds for those gift and entertainment expenses that must be reported in Section E of a lobbyist's activity report. He noted that those thresholds are \$50 or more in any one day or more than \$250 in a reporting year. He said that he believes that the reporting procedure that best complies with IC 2-7-3-3 (a) (3) is for the lobbyist to enter specific information for each gift or entertainment expense that benefits a particular legislative person and that reaches the daily threshold of \$50. If the lobbyist also exceeds the reporting year threshold of \$250 with respect to that legislative person, then it would be appropriate for the lobbyists to use a single additional entry for the total

of the other gift and entertainment expenses that benefited the legislative person but which did not reach the daily \$50 threshold. The Commissioners voiced their support for the more detailed Section E reporting procedure as described by Mr. Harris.

Comments

Chairperson Scholer asked staff to prepare a letter for the Commissioners to send Jan Abbs thanking her for her many years of service as a member of the Commission. She then called for other comments from Commissioners or others in attendance.

Adjournment

There being no further business to come before the Commission, Commissioner Gard moved to adjourn the meeting. Her motion was seconded by Commissioner White. Since the Commission had considered all of the items on the published agenda for the meeting, Chairperson Scholer declared that the meeting was adjourned. The time of adjournment was approximately 3:05 p.m.